operating units created before April 1, 2000 in software technology parks as per recent clarification given by the Ministry of Finance; and

(b) if so, what are the reasons for offering exemption to those units?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) Yes Sir, provided the necessary conditions are met.

(b) This is in view of the commitment for a 10 year tax holiday already made by the Government in the past for units set up in STPs, based on which units would have been set up.

Withdrawal of Notices Served on FIIs

3287. SHRI V.P. DURAISAMY: Will the Minister of FINANCE be pleased to state:

(a) Whether the Ministry of Finance has withdrawn tax notices relating to capital gains tax served on to five Foreign Institutional Investors (FIIs), owing to pressure from corporate lobbies based in Mauritius;

(b) if so, the details there of; and

(c) whether the Ministry extended the similar facility to the FIIs based in other countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) No Sir.

(b) Does not arise.

(c) Foreign Institutional Investors based in other countries enjoy the benefits, if any, in accordance with the Treaties in force with those countries in which they are resident.

Effect of reduction in CRR and Bank rates on weak banks

3288. SHRI V.P. DURAISAMY:
SHRI C.P. THIRUNAVUKKARASU:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that reduction in cash reserve ratio and bank rate